

# Senate Study Bill 3197 - Introduced

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON CHAPMAN)

## A BILL FOR

1 An Act exempting the sales price of tangible personal property  
2 or specified digital products sold, or services furnished,  
3 to a nonprofit hospital, and including effective date and  
4 retroactive applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 27, Code 2020, is  
2 amended to read as follows:

3 27. The sales price of tangible personal property or  
4 specified digital products sold, or of services furnished, to  
5 a nonprofit hospital licensed pursuant to [chapter 135B](#) to be  
6 used in the operation of the hospital. For purposes of this  
7 subsection, "nonprofit hospital licensed pursuant to chapter  
8 135B" includes a group of qualifying organizations acting in  
9 concert.

10 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties  
11 that arise from claims resulting from the enactment of this  
12 Act, for sales occurring between January 1, 2013, and the  
13 effective date of this Act, shall not be allowed unless refund  
14 claims are filed prior to October 1, 2020, notwithstanding any  
15 other provision of law to the contrary.

16 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate  
17 importance, takes effect upon enactment.

18 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies  
19 retroactively to January 1, 2013.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with  
22 the explanation's substance by the members of the general assembly.

23 Under current law, the sales price of tangible personal  
24 property or specified digital products sold, or services  
25 furnished, to a nonprofit hospital licensed pursuant to Code  
26 chapter 135B, are exempt from the sales tax. For purposes of  
27 qualifying for the sales tax exemption for nonprofit hospitals,  
28 this bill specifies that a "nonprofit hospital licensed  
29 pursuant to chapter 135B" includes a group of qualifying  
30 organizations acting in concert.

31 The bill requires refunds of taxes, interest, or penalties  
32 arising from claims resulting from the enactment of the bill  
33 for sales occurring between January 1, 2013, and the effective  
34 date of the bill to be filed prior to October 1, 2020.

35 By operation of Code section 423.6, an item exempt from the

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1 imposition of the sales tax is also exempt from the use tax  
2 imposed in Code section 423.5.

3     The bill takes effect upon enactment, and applies  
4 retroactively to January 1, 2013.